

New Protections for Medicare Patients at Massachusetts Hospitals

GOVERNMENT DOCUMENTS



Massachusetts Department of Public Health
Division of Health Care Quality
Advocacy Office

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A Message to the Consumer

The Department of Public Health is responsible for protecting the public's health and safety throughout the Commonwealth. The Division of Health Care Quality is the patient protection arm of the Department, and as such is deeply concerned with any potential infringements on the health or the rights of patients.

On December 10, 1985, Governor Michael S. Dukakis signed the new hospital rate law, Chapter 574 of the Massachusetts Acts and Resolves of 1985. Section 13 of this new law protects Medicare patients against certain practices including the following:

- a. Denial of admission to a hospital;
- b. Delay in admission to a hospital;
- c. Premature transfer or discharge from a hospital; and
- d. Inadequate treatment.

Under this law, hospitals must provide each Medicare eligible patient seeking treatment with a written notice of rights and must also conspicuously post that notice of rights in the hospital.

Additionally, the Department has established an Advocacy Office in the Patient Protection Unit in order to investigate complaints concerning alleged violations of Chapter 574. The new office extends the existing services of the Division's Patient Protection Unit.

It is our hope to work together with you to protect your rights to receive quality health care in Massachusetts.



Bailus Walker, Jr., Ph.D., M.P.H.
Commissioner

What Are DRGs?

In October, 1985, Massachusetts came under the federally mandated Prospective Payment System for Medicare. This system is widely known for its use of DRGs (Diagnosis Related Groups) as a basis for Medicare payment to hospitals. The new reimbursement system starts with prospective pricing. Prospective pricing means that the federal government decides in advance how much it will pay hospitals for the treatment of specific illnesses. Illnesses and surgical procedures are grouped into 470 categories or DRGs. Medicare has established a fixed payment amount and an average length of stay for each DRG. These payments are based on the average cost of treating someone with that particular diagnosis. Regardless of the person's length of stay, the treatment given, or the personnel involved in the treatment, the hospital will be paid the same fixed amount. For example, if a patient is hospitalized for gallbladder surgery and Medicare has predetermined that the average cost of this operation is \$3500, Medicare will pay the hospital \$3500 for each Medicare patient that has a gallbladder operation in that hospital. In most cases the hospital will not receive any more than \$3500 regardless of how much it spent on an individual's care.

What Impact Will DRGs Have?

This new system is designed to encourage hospitals to provide care in the most cost effective manner. If a hospital can provide care at a lower cost than the DRG rate it can keep the difference. However, if a person's treatment costs the hospital more than it will be paid under the DRG rate, the hospital must absorb the loss. The Prospective Payment System provides an incentive for hospitals to deliver care as quickly and efficiently as possible while still providing quality health care.

What Does the New System Mean To Me?

Some people may find that their hospital stays under DRGs are shorter than they might expect. In addition, some treatment or tests that formerly were performed in the hospital now may be done on an outpatient basis.

It is important to remember that your admission to the hospital and your continued stay is based solely on your need for hospital level services, and you are entitled to receive hospital services for as long as your need for them continues. The average length of stay for each DRG is meant to be a guideline for hospitals. It is not the maximum period of time that a person is allowed to remain hospitalized.

What Protections Are Available To Medicare Patients?

In response to the beginning of payment by DRGs in Massachusetts, a new state law went into effect that protects Medicare patients who are seeking and receiving hospital services. The new state law requires that Medicare patients be treated the same as non-Medicare patients with respect to:

- admission to the hospital
- availability of services
- medical treatment
- discharge from the hospital
- transfer to another facility

Specifically, the law prohibits discrimination based on, but not limited to:

- DRG classification
- cost of treatment
- seriousness of illness
- average length of hospital stay

This law also requires hospitals to provide all Medicare patients with written notice of the rights guaranteed under this law and to post these rights conspicuously.

What Is the Advocacy Office?

The Department of Public Health's Advocacy Office has been established to receive, review, investigate and resolve complaints of all alleged violations of the state law prohibiting discrimination against Medicare patients. The Advocacy Office is part of the Division of Health Care Quality's Patient Protection Unit which already handles health care complaints, patient abuse problems, and enforcement cases in Massachusetts.

How Does the Advocacy Office Work?

Anyone, including a patient, family member, friend or advocate, can file a complaint with the Advocacy Office. Upon receipt of a complaint a trained Advocacy Office Investigator will seek to determine whether the law that protects Medicare patients from discrimination has been violated. If it appears that a violation has occurred the Advocacy Office will contact the hospital and the patient's physician and attempt to resolve the complaint through negotiation. If necessary, investigators will conduct site visits to the hospital. Complaints which may involve serious, immediate threats to patient safety will be given the highest priority.

What If the Advocacy Office Cannot Resolve Complaints?

If the Advocacy Office has determined that a violation of the law has occurred and it cannot resolve the complaint, it may refer the case for possible Department of Public Health enforcement action. In addition, certain cases may be referred to the Attorney General's Office for appropriate action under the new law.

How Will I Know When I Am To Be Discharged?

Under DRGs your need for hospital level care is carefully monitored by the hospital. If the hospital decides that you no longer need hospital level care and Medicare will not cover your continued inpatient care, you are entitled to receive a written notice indicating that this decision has been made. Even if the hospital does give you the written notice it can charge you only for services provided on or after the third day following your receipt of the notice. In other words, you will be given a 48-hour "grace period" before the hospital can begin charging you. It is important that you read this notice very carefully because it will explain how to appeal the hospital's decision that you no longer need inpatient care.

What Are the Procedures for Appealing the Decision for My Discharge?

If you believe that you need additional inpatient care after you have received the written notice from the hospital, you may appeal the decision by following the instructions on the written notice. The notice will explain that you may appeal the decision to the Peer Review Organization (PRO). The PRO is responsible for reviewing diagnoses, assessing the quality of care provided, deciding whether admissions or discharges are appropriate, and reviewing appeals. However, it is very important to remember that if your appeal is denied you are responsible for paying all hospital charges for the time you stay beginning on the third day following your receipt of the notice.

The address and telephone for the PRO is:

Mass. Pro, Inc.
300 Bear Hill Road
Waltham, MA 02154
(617) 890-0011

How Can I Participate In Planning for My Discharge?

If you are hospitalized you should plan ahead for your discharge.

- Discuss with your physician the procedures you will undergo while hospitalized. Find out how long you can expect to remain in the hospital and what assistance you may need when you go home.
- Discuss with your physician any concerns you have about your discharge and request assistance from the hospital discharge planning staff. Each hospital has staff whose job it is to assist patients with discharge planning and who will arrange for you to receive post hospital care if you will require it.

Remember, you have the right to ask about your treatment and to participate in planning for your care.

What If I Have Other Questions Or Concerns About Medicare Policies and Payment?

If you have general questions concerning Medicare policies or benefits you may contact your local Social Security Administration Office. If you have any problems concerning the processing of your claims for Medicare, you may contact the hospital's billing office which should take appropriate action.

To Report A Suspected Case of Discrimination

**WRITE: Advocacy Office
Patient Protection Unit
Division of Health Care Quality
Massachusetts Department of Public Health
80 Boylston Street - 11th Floor
Boston, MA 02116**

**CALL: (617) 727-8984 (9-5, Monday - Friday)
1-800-462-5540 (24-Hour Patient
Complaint/Abuse Hotline)**



Michael S. Dukakis, Governor
Philip W. Johnston, Secretary of Human Services
Bailus Walker, Jr., Ph.D., M.P.H., Commissioner of Public Health
Irene R. McManus, M.P.H., Director, Division of Health Care Quality

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